Elbit Systems' Subsidiary, Tadiran Communications, Signed an Agreement Valued at $55M With an Asian Customer

Haifa, Israel, January 2, 2006 – Elbit Systems Ltd. (NASDAQ:ESLT) reported that its 40%-owned subsidiary, Tadiran Communications Ltd. ("Tadiran") (TASE:TDCM), announced yesterday that it signed an agreement valued at $55 million with an Asian country. Under the agreement, Tadiran will provide the customer with advanced communications systems and equipment.

Under the first phase of the agreement, Tadiran will provide equipment valued at $5.5 million and has already received an advance payment equivalent to the first phase amount. The remainder of the contract is expected to be performed in three phases during 2006-2007.

About Tadiran Communications

Tadiran Communications brings into the homeland security arena over 40 years of experience in the development, manufacture and marketing of combat-proven communications solutions for armed forces in over 50 countries worldwide. Experience in creating synergies between advanced equipment and system elements enable the company to offer multiple level solutions that are a real added value for police forces, local, national and international security forces at every operational level. The company's full system solutions offer comprehensive integrated, seamless and secure communications between all ground, naval and airborne, military homeland security forces, as well as special rescue units. The company's MOBAT Division specializes in advanced HF solutions for paramilitary, government and high-grade commercial applications. Tadiran Communications' fully-owned subsidiary Snapshield™, a leading global provider of managed secure telecommunication solutions, expands the company's offerings to include secure

encryption on mobile and wireline telephone networks. As an international company Tadiran Communications has subsidiaries in the U.S. and Europe.

Tadiran Communications is publicly traded under the symbol: TDCM on the Tel Aviv Stock Exchange.

About Elbit Systems

Elbit Systems Ltd. is an international defense electronics company engaged in a wide range of defense-related programs throughout the world, in the areas of aerospace, land and naval systems, command, control, communications, computers, intelligence, surveillance and reconnaissance ("C4ISR"), advanced electro-optic and space technologies. The company focuses on the upgrading of existing military platforms and developing new technologies for defense and homeland security applications.

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